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Štěpánka Vyskočilová

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KATEDRA MANAGEMENTU

Možnosti využití vybraných teorií implementace změn v korporaci Tieto
Applicability of selected change implementation theories in Tieto Corporation

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Description:

1. Introduction
 2. Selected change implementation approach
 3. Description of different types of changes in the Tieto corporation
 4. Analysis of the theory applicability for each type of change
 5. Recommendations, conclusions
 6. Conclusion
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The List of Shortcuts
The Declaration About The Use of Results of The Thesis
The List of Appendices
Appendices

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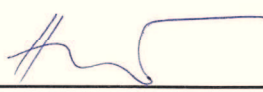
HEATH, Chip a HEATH, Dan. *Switch: How to Change Things When Change is Hard*. Random House UK, 2011. ISBN 978-1847940322.
KOTTER, John. P. *Leading Change*. Harvard Business School Press, 1996. ISBN 0-87584-747-1.
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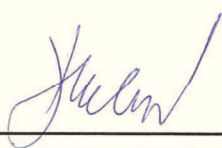
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Prohlašuji, že jsem celou práci, včetně všech příloh, vypracovala samostatně.

V Ostravě dne

.....

Štěpánka Vyskočilová

Foreword

Working on this thesis was a very interesting journey full of learning about the phenomenon called organizational change. I would like to thank persons, whom I am most grateful for making this journey so valuable for me.

I would like to thank to Mr. Bernhard Geist for defining such an interesting assignment for this thesis. I found his idea of connecting the organizational change process domain with the human psychology domain extremely inspiring. I also want to thank him for all the great insight he shared and for his strong support throughout the whole process.

Indispensable was the help of my supervisor, Mr. Martin Černek. I would like to thank him for his valuable advice and guidance in writing this thesis. Studying while working is not always easy, but thanks to his great encouragements and positive energy I was able to overcome the most challenging moments.

I also would like to thank all Tieto colleagues that I approached with requests for information or in discussions about the organizational change topic. I am grateful for their willingness to cooperate and for all the provided information and shared thoughts, ideas and experience.

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1 Introduction

The organization's capability for implementing change has been important now for number of decades, and its importance seems to be increasing. In the context of globalization and the global competition pressure, strengthened by the latest technologies that enable new ways of conducting business (e.g. e-commerce), companies are forced to react at a much faster pace on business environment changes than ever before.

In the change management related literature can be found different ways to look at this discipline. One important aspect to understand is the type of change in question; starting from the firm's strategic direction change and related organizational structure and culture changes; through a particular process reengineering, coming down to the new tools related working habits. Independent of the change type there are always two basic questions to consider when managing a change – what is the process to follow in order to implement the change and how to influence people's attitude towards the change throughout the whole process. There are different theories available to help managers dealing with both of these questions.

The goal of the thesis is to analyze selected change management theories in the context of the change types applicable in Tieto Corporation, and to propose which of the elements from different theories this large international enterprise could benefit from, and how to apply them.

In the assignment given by the company representative, Mr. Bernhard Geist, two main sources of theory were required to be reflected primarily: Kotter's 8-stage-process to be combined with the human psychology insight presented in the book *Switch* by brothers Heath. In addition to that any other theory may be added, as long as it contributes to the assignment goal to produce a Tieto change management recommendation package, combining the process perspective with the human behaviour aspects related to the change experience.

Methodology wise a content analysis will be applied on the selected theories, and related publicly available lessons learnt from other companies. In addition, the

understanding of Tieto specific needs towards change management will be built on interviews with company representatives and own observations.

Concerning the thesis structure, first selected change management implementation theories are introduced. Second, the main characteristics of Tieto corporation and change types applicable there are described. And finally the theories are analyzed against the type change and recommendations package is created based on the analysis results.

2 Selected change implementation theories

Different authors are focusing on different aspects of the change management, but all of them are united in that change is inevitable in today's business environment. It is the continuously changing world market place that forces every organization, irrespective of the service or product it deals with, to pay constant attention to responding via respective internal changes to this volatility. Jack Welch (2003, p. 432) believes *"that when the rate of change inside an institution becomes slower than the rate of change outside, the end is in sight. The only question is when."*

The character of business environment changes that need to be acted on has developed since the end of the last century. At that time most focus was paid to "reengineering" as the solution for the rather dramatic and "once a time" type of changes. The latest development shows that the changes that businesses need to deal with are maybe less radical, but much more frequent and basically never ending. Nowadays the change process is rather referred to as "metamorphosing". (Toman, 2005)

What is also changing over the time, comparing literature within the last twenty years, is the emphasis on a whole organization involvement. Traditionally the change implementation has been laying on the competence of selected change leaders. But it seems to have been proven repeatedly by now that a successful change means a cultural shift for everyone in the organization – new processes are being introduced, new and better working practices are being found, new habits are being created. (Young, 2008)

New character of change management requires new ways of involving people. Moving the focus from process definition to process commitment naturally leads to the consequence that people's attitude becomes the key success factor. Unfortunately not all managers perceive this need for leading and engaging people in a new way and instead they are still sticking to the old methods and definitions. Based on the psychologists research findings it is the people's mindset – more precisely the work satisfaction and passion - that can drive the performance increase. This can not work in

the authoritative environment, where people are forced to do what they are told. (Toman, 2005)

While researching a number of change management theories, different paradigms (as ways of viewing the reality) have been identified. An organizational change implementation has its **process, project and human dimension**. The theories researched in scope of this thesis have been analyzed in frame of these paradigms.

2.1 Process paradigm

Before diving into the organizational change related process recommendations, it is necessary to mention the importance of the correct interpretation of the term process as such. Even nowadays there is still visible a struggle in organizations to switch the perception from the process as a set of bureaucratic requirements to comply with, to the process as a collection of good practices to benefit from. And this later process perception is a key prerequisite when it comes to change implementation process. (Toman, 2005)

One of the early process theories that already include the people behaviour and culture aspects is the Lewin's "Unfreeze, Change, Refreeze" model – see Figure 2-1

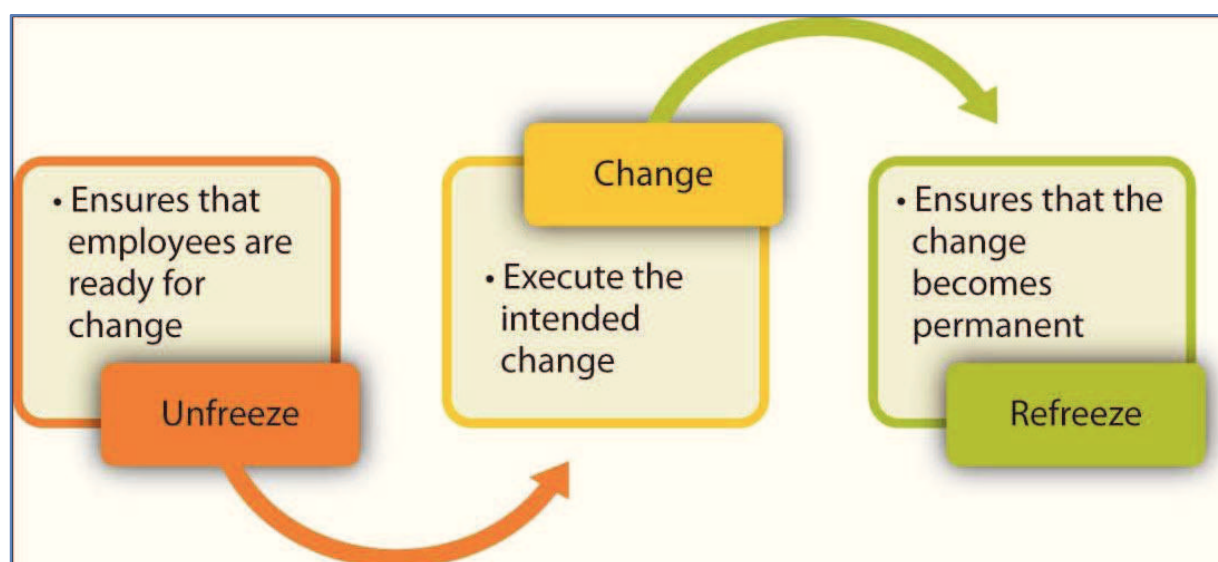


Figure 2-1: Lewin's three stage model

Source: From Planning and Executing Change Effectively. Lewin's three stage model. [online]. WEB books [Retrieved on 14.4.2012]. Available from WWW: <<http://www.web-books.com/eLibrary/NC/B0/B58/047MB58.html>>

Although the model has been created by Kurt Lewin already back in the 1940s, the very same pattern seems to be visible in the latest models, such as the Kotter's.

Kotter (1996) analyzed a significant number of organizations and their initiatives aiming to produce a significant positive change via *“restructuring, reengineering, re-strategizing, acquisitions, quality programs, downsizing and cultural renewal”* (Kotter, 1996, page IX). And based on the evidence from all those, successful as well as failed, cases, he defined the 8-stage process. Its more detailed introduction follows.

2.1.1 Kotter's Eight-Stage Process

Although the eight stages described below create together an end-to-end process, it is important to realize that they don't take place only consecutively, but in many cases need to be executed simultaneously.

Stage I. Establishing a Sense of Urgency

In organizations with a high complacency there is no momentum for a change and transformation efforts sooner or later fade away, because people are not interested into the change. Different reasons may be causing the complacency in a company that is in trouble – see the overview of the most important ones in the Figure 2-2.

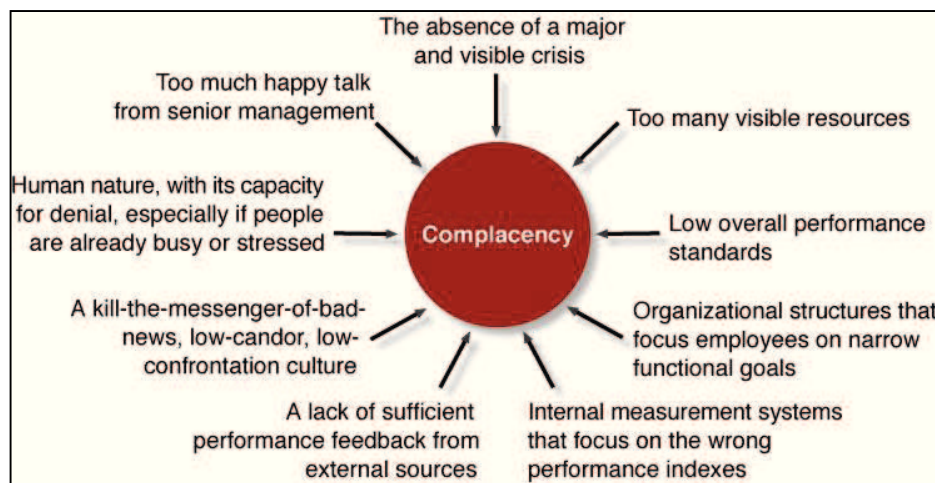


Figure 2-2 - Complacency sources

Source: KOTTER, John P. *Leading change*. 1. edition. Boston: Harvard Business School Press, 1996. 208 p. ISBN 978-0-87584-747-4.

Increasing the urgency level means a need to address all the crucial sources of the complacency applicable for the particular organization, and to remove them or minimize their impact. That makes it a quite a challenging task. It requires bold actions from managers, and it is connected with a risk of being blamed for causing the unsatisfying company status in the first place (via their past actions). That's why successful transformation initiatives are usually connected with an external person, newly joining the company in a key position.

Stage II. Creating the Guiding Coalition

Although many change success stories of the past are easily connected with a presence of a particularly strong individual leader, having formed a strong coalition of the company top management is equally important. It is not impossible to find cases in the past where the change was mainly driven by the CEO only, but those are related to the times where market and technological change had a lower speed. Nowadays a large organization needs to build the change initiatives with a strong team of its top officers that share the same objective, that trust each other, and that have a sufficient power to convince the rest of the organization. Also, in the current complex business environment, decisions need to be built on a wide range of information and insight, brought together by different team members.

Therefore it is important to carefully choose team members for the guiding coalition, so the team has a sufficient power and credibility, and at the same time all the needed expertise is represented. Also a crucial aspect is to balance the leadership and management skills. Both are vital, and complementing each other within the change process – strong managers keeping it under control and strong leaders driving the change.

The characteristics that need to be treated with the utmost caution when setting up a successful change guiding coalition are persons with:

- super egos, lacking awareness of own weaknesses and not realizing and appreciating other's complementary strengths
- “snake behaviour”, i.e. damaging the teamwork by creating a mistrust
- lack of commitment to the change

The first two characteristics prevent a good teamwork, which is crucial for a successful change implementation, and the last one returns to the low sense of urgency problem (see previous chapter).

Stage III. Developing a Vision and Strategy

The established guiding coalition has a key task in creating a strong vision as an inspiring picture of the future that is “*sensible to the head and appealing to the heart*”. (Kotter, 1996, p. 66).

An effective vision is the most powerful tool for breaking the resistance. In comparison to the two other options – authoritative and micro managerial approach – it gives people of the organization the space and motivation for personal engagement and contribution to the company steps towards the right direction.

An effective vision describes the future that is appealing to its stakeholders (employees, customers, stockholders), but realistic. It gives a clear guidance for decision making, but at the same time is general enough to allow individual initiatives, and to bear the rapidly changing world.

A well defined vision is easy to communicate and also creates a solid basis for the strategy (describing the way to reaching the vision) and related plans and budgets – see Figure 2-3.

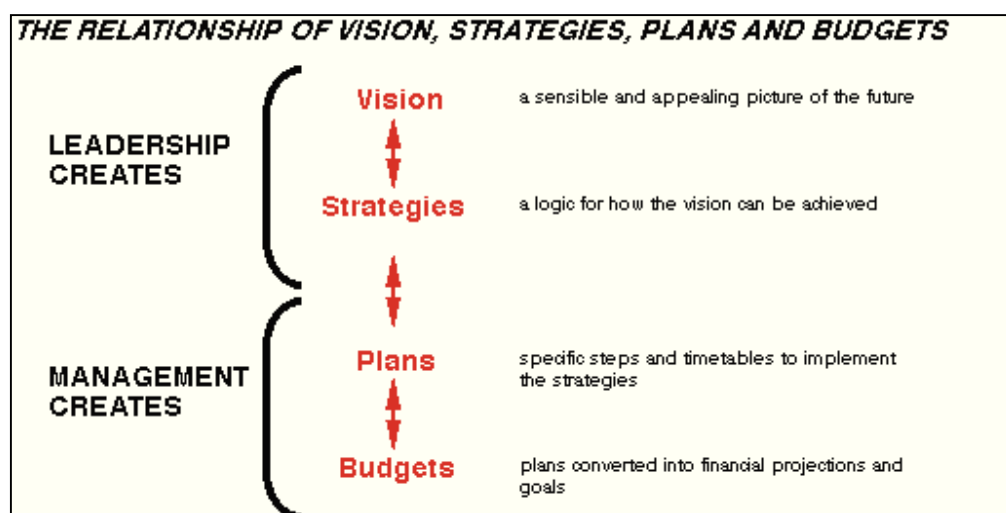


Figure 2-3 - The Relationship of Vision, Strategies, Plans, and Budgets

Source: KOTTER, John P. *Leading change*. 1. edition. Boston: Harvard Business School Press, 1996. 208 p. ISBN 978-0-87584-747-4.

Creating an effective vision is a timely process that requires a number of iterations and a good teamwork. The guiding coalition plays a central role in this process.

Stage IV. Communicating the Change Vision

The purpose of communicating the vision is to create a shared sense of a desirable future that fuels the transformation efforts. A successful communication leads to a cross-organizational understanding and commitment to the new direction.

The larger enterprise the more challenging task it is. The communication success enablers are:

- the vision expressed in a simple message that triggers a clear future picture (metaphors, analogies and examples are helpful here),
- persistent repetition of this message
- company key persons' behaviour consistent with the message.

In addition it requires engaging with employees in different forums (large audience gathering as well as small meetings, one-to-one session, formal and informal discussions), involving different media types (newsletters, memos, web casts, posters), creating opportunity for interaction, clarifying questions in discussions, and taking good care of addressing inconsistencies.

Stage V. Empowering Employees for Broad-Based Action

Equally important as communicating the vision is removing all obstacles that may hinder employees from acting on the change. The main categories of obstacles are summarized by Kotter (1996) in Figure 2-4.

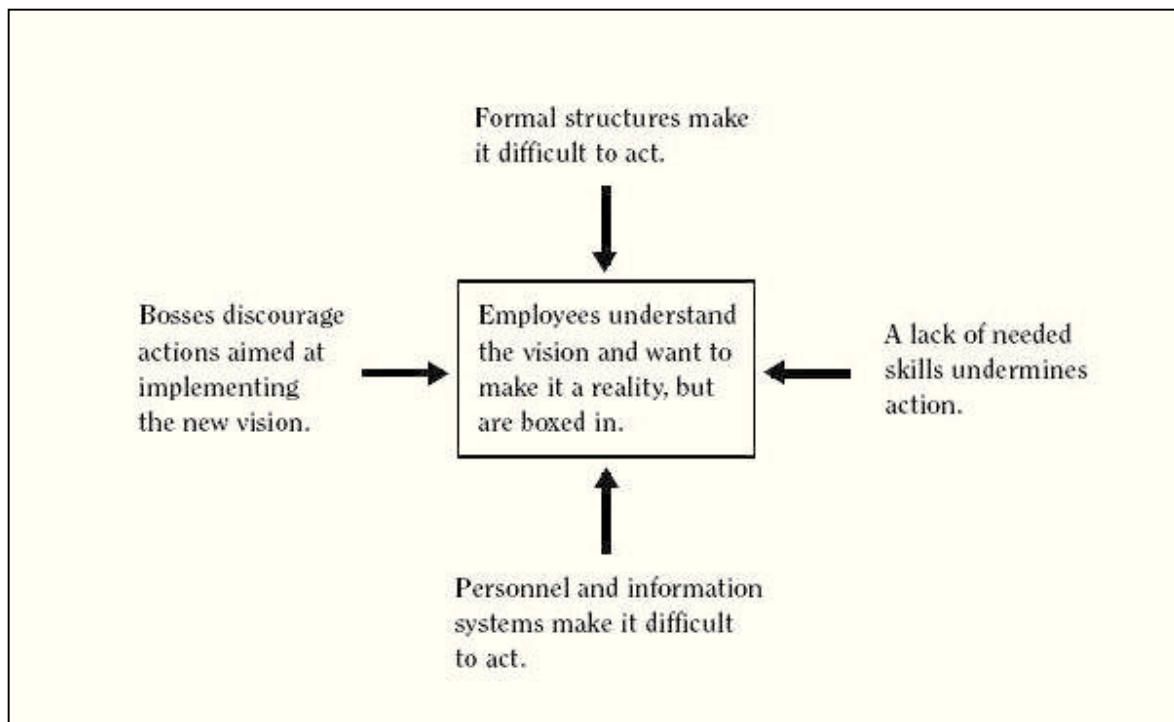


Figure 2-4 - Barriers to Empowerment

Source: KOTTER, John P. *Leading change*. 1. edition. Boston: Harvard Business School Press, 1996. 208 p. ISBN 978-0-87584-747-4.

The organizational structure may become a barrier when transformation effort is targeted towards increased productivity and stronger customer focus. The independent silos established over the long past periods undermine the teamwork and can lead to employee frustration, if not removed in timely fashion.

In transformation initiatives that require a high number of employee's new skills and behaviours, the provided training plays a key role. Training in general is usually included in transformation efforts, but the challenge is to choose the right scope (focusing not only on the technical competences but also soft skills), volume (significant effort is required if old habits shall be changed) and type (not only before the new job starts but also to tackle the problems which may be encountered later on); and to assign appropriate investments for the education.

Another obstacle to be removed is the nonconformity between the company systems and the new vision implementation. It is important to align all the systems, such

as recruitment and hiring, performance evaluation, compensation and promotions, to support the new vision.

And last but not least, any supervisors that are undermining the change must be confronted promptly to prevent employees getting discouraged and disempowered.

Stage VI. Generating Short-Term wins

In the context of major changes require lots of time, the short term results need to be paid attention to, in order to create a credibility of the long term effort. Succeeding in the vision-related-short-term-programs brings reinforcement to the transformation effort, and their outputs are also a source of a valuable feedback for the vision verification and possible fine-tuning needs.

In order to provide all the benefits described above the short term wins must be indisputable and clearly linked to the change effort. The ability to produce short term wins leads back to the importance of balancing the strong leadership with the good management. It is the managers that keep the processes managed throughout the whole transformation effort. And it is the managed process that supports producing the results.

The time by which short term wins are required may vary dependent on the company size (in general something between 6 to 18 months), but that means that in most cases parallel stages of the change process may not be completed at the same point. Hence a concurrence of stages is required and that presents another aspect of change efforts complexity.

Stage VII. Consolidating Gains and Producing More Change

Keeping up the momentum throughout the whole lengthy change process is vital. As long as the new habits are not firmly inbuilt into the company culture they are very fragile and can become undone very easily. Therefore special attention needs to be paid to keeping the organization energized (short term wins need to be celebrated, but not “over-celebrated”, and a different perception of “long term” from leadership and management perspective needs to be tackled).

Another aspect that makes change very difficult is all the interdependencies inside a company. Staying competitive in the current business means a higher degree of

integration inside the company (instead of department silos, various company parts should be tightly interconnected). And implementing change in such an organization requires addressing these interconnections – *“changing anything means changing almost everything”* (Kotter, 1996, p. 143). The complexity of the environment leads to a significant number of change projects running in parallel, when stage 7 is reached.

A good balance of leadership, management and delegation is required, in order to successfully manage a high number of simultaneously run change projects. The strong leadership at the top level helps everybody to understand the big picture, and how different projects relate to it. With a good understanding of the high level vision throughout the whole organization also the possible conflicts between projects can be solved in a faster and much more constructive way and many cases can even be prevented. The delegation of the projects, related management and detailed leadership to the lower levels of the organization allows engagement of a high number of employees so that they can contribute to the projects realization.

At certain points of the transformation effort also the relevancy of some of the interdependences will be challenged. If these findings are managed properly, they will help to decrease the environment complexity by removing the dependencies caused historically, but which are not valid any more.

Stage VIII. Anchoring New Approaches in the Culture

Although a success in all the previous stages may give the impression that the change is successfully implemented, there is a hidden risk connected with the fact that the old habits are usually much more deeply rooted than the newly built ones. If the change programs and change effort disappear before the new way of working is anchored into the culture, the old habits are likely to slowly but steadily win over again. This risk is especially high in over-managed and under-led companies, since the culture (as well as the vision) is primarily a leadership domain.

Securing alignment of the culture with the newly implemented vision is a challenging task. It is the invisibility of its two pillars – norms of behaviour and shared values – that makes it hard to change (see Figure 2-5).

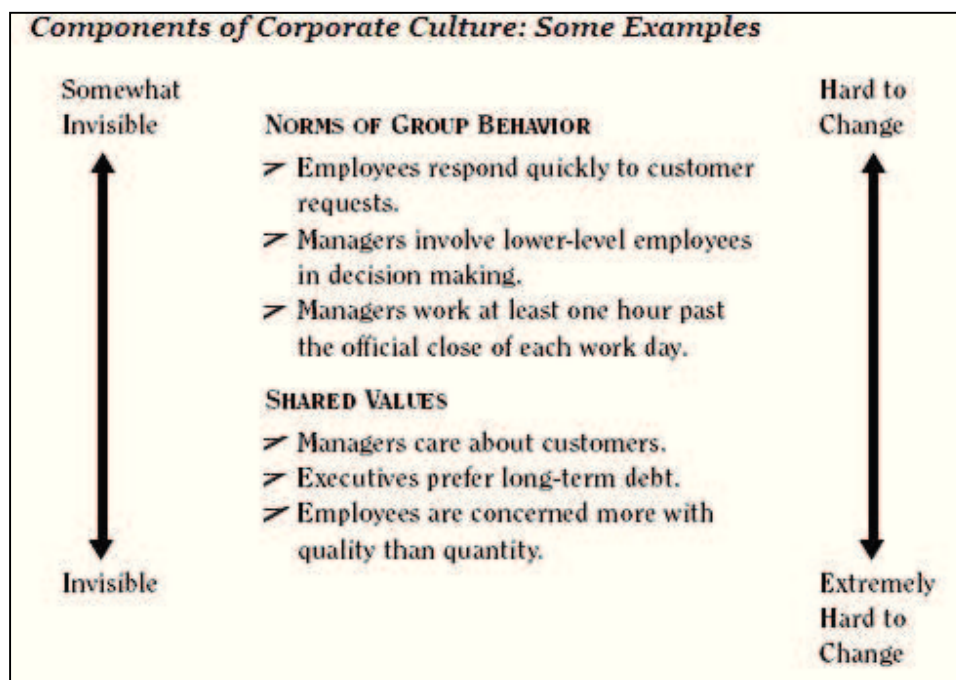


Figure 2-5 - Components of Corporate Culture.

Source: KOTTER, John P. *Leading change*. 1. edition. Boston: Harvard Business School Press, 1996. 208 p. ISBN 978-0-87584-747-4.

The evidence of the most successful change initiatives suggests the need to pay attention to the culture in Stage 1. There a good understanding of the current culture should be gained. In Stage 8 its change needs to be tackled as needed, based on the new practices. Dependent on the delta size between the old culture and the new vision it can be about a minor fine-tuning (removing some conflicting parts) or a more radical culture change. In both cases the change is only possible after the new vision, and the related new behaviour, has generated some obvious benefits for a period of time. And even then it does not happen automatically. The top management needs to very actively work on areas such as communication of the improvements coming from the new way of working, addressing the old culture (recognize its value in the past and part from it for

the future) and securing the recruitment process and promotion process to the new values only. It may be also necessary to change some of the key personnel in the company. (Kotter, 1996)

2.1.2 Toman's metamorphosing process

Whereas Kotter (1996) is with his process primarily approaching companies' top managers and advising the process from their perspective, Toman (2005) builds on the fact that metamorphoses means wide engagement of employees in the change ownership. Another difference between both processes is in the regional context. Kotter builds his recommendations on the global observations; Toman (2005) is reflecting local specifics of Czech companies.

Prior to starting the described ten steps process Toman (2005) recommends the change owner to formulate the change idea clearly and map its stakeholders, i.e. identify the possible alliances and opponents. Both of these outputs will be valuable within the whole process. The more detailed description of its steps follows.

Step I. Building organizational structure for change

At the start of the process the change owner needs to transmit the individually perceived change urgency and related improvement idea to a change team that he gathers, including its leader, and win the management support for it. Via the discussions within the team as well as with the management representatives, the idea is further clarified and verified.

Step II. Answering three elementary questions

The change team continues with answering three basic questions: Who are we? Who do we want to be? How to get there? The activities in this step should result in an easy to communicate vision of a new identity and a unique strategy to build it.

Step III. Sharing the vision and related changes

The vision created by the change team is to be communicated to the whole organization, in order to build the commitment and ownership across the whole company. The change leader has a key role in this respect and the change team needs

to strongly support him. The communication needs to include the gains aimed at with the change.

Step IV. Mapping company processes

A map of company processes is usually very complex, therefore it is beneficial to engage all employees in the campaign of “tracing” them. In addition the direct involvement of all employees builds their interest in the company well-being and gives them an opportunity to contribute with improvement ideas.

Step V. Changing company structure

The current map of the company processes gives a solid base for designing the changes towards a more efficient way of organizing and managing the company. Involving teams from different levels of the organization in reviewing the new design again helps to build the commitment and is a channel for enhancing the solution with additional improvement ideas.

Step VI. Defining new decision making spots

The new company processes need to be reflected also in the required competences and assigned authorities on different levels of the organizational structure. Increasing efficiency means delegating the decision power to the lower levels of the organization wherever applicable.

Step VII. Transferring decision making power

A clear identification of the new decision making points itself does not lead to the actual adoption of the new decision making power distribution. Toman (2005) is pointing out especially the challenge related to the post-communist culture, where the authoritative management style has been very strong in the past. It may not be easy for employees to identify with the newly assigned responsibilities and authorities.

Step VIII. Utilizing information technology

The new information and communication technologies can be of a big help while implementing change. The obvious trap that must be avoided is allowing the Information

Technology (IT) to be “in charge”. The IT solutions must serve the change process instead and therefore their functionality has to be driven by the company process needs.

Step IX. Identifying redundancies

The realization of the previous steps leads to the identification of activities that are redundant and need to be cut, and consequently certain jobs becoming obsolete. In this context an overall employee performance evaluation should be taken into consideration, in order to prevent ending an employment contract of a high performing person from an abolished position, while his/her skills could be of a big contribution in another position.

Step X. Change benefits evaluation

The gains at each stage of the implemented change should be carefully evaluated by the change team. The findings should be utilized for further activities related to anchoring the change into the firm’s psyche, as well as managing changes in general. (Toman, 2005)

2.2 Project paradigm

In the frame of the project management discipline, a project is defined as a collection of linked activities carried out to achieve some specific objectives (to create a unique product, service or result) within defined time (other resources, such as money, are also typically limited).

Young (2008) expands the thinking and links it directly to the change management, by claiming that a project by its nature is creating something that does not yet exist. In his view a project is an organized and structured way of creating and managing a change. That makes him emphasize, within the standard set of tools and techniques used in the project management, the crucial people skills. A successful project manager is an effective change agent, and that indicates a strong need for capabilities such as:

- selecting the right people with appropriate skills and understanding their personalities,

- setting clear objectives and creating a real sense of responsibility and commitment towards the objectives,
- listening to feedback,
- handling conflicts effectively,
- striving for continuous improvements,
- and last but not least seeing the bigger picture, i.e. understanding where the change fits in the wider context.

All the above listed people skills are valid and crucial for building effective teams in any operations (not specific for projects), but there is one aspect about projects that makes them even more critical. Unlike in the line operations, where a team consists usually of dedicated full-time members, the project membership is subject to continual change. Changes are triggered partly by different competence profile needs throughout the project, partly given by the varying availability and priorities of the team members coming from different parts of the organization. That requires extra effort in terms of communication, negotiation and influencing others, in order to get everybody to follow the same objective.

Since Young (2008) presents the project as the vehicle for implementing change, he is also directly linking it to the company strategy. He elaborates on the project triggers by describing the business planning cycle, and its links to project ideas generation, as follows.

The three- or five-year corporate plan sets the future direction and the shorter one-year strategic plan describes how the organization will meet the corporate plan in the next financial year. The incremental part of it is primarily not meant to be subject of a separate initiative, but inbuilt into the every day work of every employee. However there may be continuous improvement activity in one part of the company that other parts would benefit from too. Such a situation can result in a project executed by a cross-functional team. In addition to the incremental improvements there is usually a step change involved in order to reach the corporate objectives and to realize the long term vision. Those step-change-needs trigger most projects (or even programs comprising of a number of projects) in an organization.

Understanding this context plays a key role in the team members' motivation. The project, they contribute to, stands for a certain change implementation and the clear awareness of how this change contributes to overall company direction. This is an important pre-requisite for the whole team pulling in the same direction. (Young, 2008)

2.3 Human psychology paradigm

The human psychology aspect of change management is of a high importance. Already Kotter (1996, p. 4) admits that *"to some degree, the downside of change is inevitable. Whenever human communities are forced to adjust to shifting conditions, pain is ever present."* He emphasizes the need for great cooperation, initiative and willingness to make sacrifices across the whole organization, when it comes to implementing a major change. The amount of extra effort is enormous: *"In an organization with 100 000 employees at least 15 000 must go far beyond the normal call of duty to produce a significant change."* (Kotter, 1996, p. 35)

Young (2008) points out the difference between the human reaction to change, that is actively chosen, and the change that is beyond one's control. Whereas the actively selected change usually creates positive and constructive responses, the imposed change often leads to a latent opposition or an open negative and critical response.

Brothers Heath (2011) look in detail into the change related human psychology, because in their perspective the common denominator of all change efforts is "for anything to change, someone has to start acting differently" (Heath & Heath, 2011, p.4). They use the analogy from the psychologist Jonathan Haidt who compares the two independent systems of a human brain, the emotional and the rational one, with an Elephant and its Rider. Brothers Heath build their recommendations on the belief that for making individuals change their behaviour, their hearts (Elephants), minds (Riders) and environment (Path) have to be influenced. Paying attention to one of them only, results either in understanding employees without motivation or passionate employees without direction.

2.3.1 Elephant, Rider and Path theory

The Elephant

The Elephant is the emotional and instinctive side of the human brain. In the context of the change it is the one who brings the energy and drives for getting things done. The downsides of the Elephant in the context of the change implementation: it is lazy and tends to prioritize the fast gains over the long term pay-offs. Also in situations where more than one option for the new behaviour is available, the Elephant gets scared off by the uncertainty, and tends to seek for the familiar path, i.e. the status quo.

The Rider

The Rider is the rational side of the human brain and he stands behind the ability to plan and think long term. Rider loves to think and analyze. This quality can turn into downside in the context of change, since the problem to be solved is usually a complex one and that can easily get the Rider trapped into over-analyzing. The Rider, being over-logical, tends to seek for solutions of a comparable size with the problem, which leads to a decision paralysis and prevents a successful change. The available success stories show that it is a sequence of relatively small changes that is required instead, to tackle a large problem.

The Rider seems to be in charge of the Elephant since he holds the reins, but there is no way he can force the Elephant to follow him, if they disagree on the direction, at least not in the long term. The Rider on his own simply can not keep the Elephant on the road long enough to reach the destination. For the long term Elephant's cooperation is required, which means the emotional side needs to be engaged. Only when both, the Rider and the Elephant, are motivated, long term change can be realized: the Rider provides the direction and planning and the Elephant the energy.

The Path

The Path represents the surrounding environment. The aim is to shape it so that the change is more likely. The correct new behaviour is made as easy as possible.

Based on their research Heath & Heath (2011) introduce three important discoveries about change:

- *“What looks like a people problem is often a situation problem”* (Heath & Heath, 2011, p. 3)
- *“What looks like laziness is often exhaustion”* (Heath & Heath, 2011, p. 12)
- *“What looks like resistance is often lack of clarity”* (Heath & Heath, 2011, p. 15)

Discovery I. People problem versus Situation problem

Studies show that in many cases it is possible to turn a hard change problem (people behaviour change) into an easy change problem (environment change), for example people's eating habits (size of portions they consume) can be changed by reducing size of the plates the food is served on.

Therefore Shaping the Path plays a key role in change efforts. It is all about making the change-compliant-behaviour most easy (and non-compliant less easy). Examples of making it easier to embrace change: provide step-by-step instructions, training, establish support groups, mentors.

Discovery II. Laziness versus Exhaustion

While adopting new behaviours the Rider gets exhausted in two ways: new behaviour means applying self-control to avoid old habits, and at the same time more than one option for new behaviour is offered. The more choices available, the more Rider's supervision required and the more exhausted the Rider gets.

Unfortunately the more energy is consumed by applying self-control and Rider's supervision, the less energy is left for creative thinking, focusing and frustration resistance, which are all important capabilities to make a big change. Clear guidance on new behaviour is the key to avoid unnecessary energy waste.

In addition it is exhausting for the Rider to force the Elephant into the new direction, without him being motivated too. The goal is to make the Elephant cooperative via engaging people's emotional side. Therefore the sense of change urgency can not be communicated via facts only. There needs to be focus on making the audience feel

(via emotional experience) the need for change too, e.g. communication of a change needed in the hospital supported by a patient story.

Discovery III. Resistance versus lack of clarity

A lack of clarity makes the Rider unsure which direction to go. And that results into leading the Elephant in circles. To avoid this pattern the Rider should be directed by a crystal clear description of the destination supported with specific guidance on how to get there. The specific guidance needs to be limited to a low number of concrete actions, to avoid exhausting the Rider with too many behavioural changes at the same time. An example study shows that “eat healthier” instruction falls into the category of unclear directions, since it offers too many options on how to do it and where to start. When a simple and concrete action (drink low fat milk instead of whole milk) is instructed instead, the impact is much bigger.

All the discoveries about change lead Heath & Heath (2011) to defining key principles for making the Switch in terms of changing the behaviour:

Principle I. DIRECT THE RIDER: Script the critical moves & Point to the destination (create the destination postcard)

Directing the Rider properly means providing a crystal-clear direction and precise instructions about how to start moving in that direction. The scripted “critical moves” (i.e. clear and simple top priority rules translating the change idea into specific and concrete instructions) guide the new behaviour, help people make hard decisions and prevent exhausting the Rider and scaring off the Elephant.

A very powerful tool for defining the critical moves is the bright spot approach. It focuses on “what is working and how to replicate it”, instead of “what is broken and how to fix it”. This is very helpful for the Rider, in terms of very concrete and clear instructions to copy.

Principle II. MOTIVATE THE ELEPHANT: Shrink the change & Appeal to identity.

The bright spot approach is also valuable for the emotional side context, since it provides evidence that change is possible, which creates hope and motivation for the Elephant. At the same time it shrinks the change by narrowing down a very complex

problem to very exact instructions what to do differently. A reference success story reports about a program that successfully helped with the children malnutrition problem in Vietnam by using bright spots. Cooking habits were analyzed of the mothers that were able to keep their kids healthy, and taught in cooking classes to the others. The change was relatively small compared to the very complex root-cause of the poverty problem, but the results were impressive.

Although clarity of goals is required in principle to dissolve resistance, the SMART goals would not be satisfying here. They do prevent uncertainty but they are usually not so inspirational and therefore don't reach the Elephant. Effective visions do both, show the Rider where to head, and persuade the Elephant that the journey is worthwhile – they are built on inspiring values that employees can identify with.

Principle III. SHAPE THE PATH: Build a habit & Tweak the environment

In addition to the clear direction for the Rider and boosting the motivation and determination of the Elephant, the journey should also be made easier, in order to make the changes stick. Tweaking the environment means making the correct new behaviour easier than the incorrect one. (Heath & Heath, 2011).

2.3.2 Myers-Briggs Types in change process context

The theories introduced so far have one thing in common – the people aspects within are built on the common patterns that can be seen in a human reaction to a change, i.e. the principles within are meant to be generally valid for humankind.

In order to take into consideration also the natural differences between individuals and their preferred ways of gathering and processing information and arriving at a decision, the psychological types are introduced. The Mayers-Briggs Types definitions have been chosen for this thesis to reflect on how different kinds of people react on change and how they can best contribute within the change process.

Dependent on people's preferred behaviors and attitudes they are grouped into sixteen MBTI types. Those types are derived from the fact that there are four different human function categories and two opposite ways of behaving within each of these categories defined:

- Extraversion or Introversion – dependent on whether attuned to the outer world or the inner world
- Sensing or Intuition – dependent on how information is taken in and what kind of information is paid attention to
- Thinking or Feeling – dependent on how information is organized, prioritized and how decisions are made
- Judging or Perceiving – dependent on how people prefer to organize their external lives.

The focus of this thesis is not to look into a detailed specification of the sixteen MBTI types, but rather select information at the category level which has a particular importance in the change process context. The aim is not to create separate strategies for each of the types, but rather to enhance the generic process described earlier with the needs and strengths associated with each of the categories. Therefore in the following paragraphs there are captured the most important behavioral habits to be reflected in the change process, as described by Barger & Kirby (1995).

Category I. Extraversion or Introversion

People who prefer Extraversion are sociable, outgoing, enthusiastic, energetic and expressive of their thoughts and feelings. They like to clarify their perceptions out loud in interactions with others and may find it difficult to process their thoughts without such interactions. They like to get into action and trying things out fast.

People preferring Introversion tend to be reserved in most of their communications, they reveal their innermost thoughts and feelings only to a small circle of trusted persons. They usually think their ideas thoroughly through internally before they share them with others, i.e. those are already in a form of a carefully considered conclusion.

Table 2-1 - Extraversion and Introversion in change context

Preferences in the process of change	
People preferring Extraversion	People preferring Introversion
<p><i>Verbal communication</i></p> <p>Extraverts want to hear the leader views and others' opinions, they want to have a chance to talk through their reactions and ideas, and be listened and heard.</p>	<p><i>Written communication</i></p> <p>Introverts want to have time to think it through first. Once they are clear about their reactions and questions they like to have their questions answered, either in writing or in one-to-one or small group discussions.</p>
<p><i>Acting fast</i></p> <p>Extraverts like start acting immediately and then reflect on it to see how it works.</p>	<p><i>Rehearsing before acting</i></p> <p>Introverts prefer to assimilate the changes and rehearse mentally before acting.</p>

It is obvious that needs of Introverts and Extroverts are quite different, which makes it a highly challenging task to satisfy and engage both groups in the process of change equally.

Category II. Sensing or Intuition in Perceiving

People preferring Sensing tend to focus on immediate reality. They are very practical. When dealing with a new idea, they scan their past experiences to find the relevant ones and use them as the base for acceptance or rejection. When accepted the next focus is on the practicalities of the idea's implementation.

People who perceive primarily through Intuition look for connections and meaning. They prefer to get an overall impression and see the big picture. They are imaginative and more excited about future possibilities than present reality. They welcome new ideas, like to brainstorm about them and discover all available options and connections.

Table 2-2 - Sensing and Intuition in change context

Preferences in the process of change	
People preferring Sensing	People preferring Intuition
<p><i>Need for clear and concrete information</i></p> <p>They need specific information about what is the problem and how the proposed change will solve it. They want to get a clear and realistic picture of the aimed end result of the change process.</p>	<p><i>Need for space to paint own future picture</i></p> <p>They want to get the biggest possible picture, to explore it and to create their own imaginative projections of the future.</p>
<p><i>Verification against past experience</i></p> <p>They want to test the change vision against own past experience to see if doable.</p>	<p><i>Verification against future possibilities</i></p> <p>They want to mentally play around the general plan and brainstorm for further connections to paint own picture of the future.</p>

Sensing and Intuitive persons, when discussing with each other, may often feel like talking different things. While Sensing talk about what is actual in the present and about related own experience, Intuitive talk about possibilities hidden behind the surface reality. But despite of the opposite way of perceiving, once the differences are understood by both parties, their strengths can be combined powerfully, especially when making decisions and plans in change process.

Category III. Thinking or Feeling in Decision Making

For people who prefer Thinking, decisions are driven by logic, cause-and-effect reasoning and impersonal pros-and-cons analysis; therefore they tend to step back from situations to get a more detached view. They value pragmatic problem solving and efficient tasks completion. They consider the human factor as one among many factors in their equation when making decision, and they consider systems as tool to deal with people issues.

People preferring Feeling are guided in their decision process by their personal values and empathy for others. They put themselves into situations in order to gain insight on how the decision alternatives would impact on others. They believe that

individuals are more important than systems. They value harmony and decisions achieved via consensus and compromise.

Table 2-3 - Thinking and Feeling in change context

Preferences in the process of change	
People with Thinking preference	People with Feeling preference
<p><i>Change plans shall be fair and logical</i></p> <p>Thinkers want the plan to be logical, the evidence behind the plan to be credible and all possible consequences to be taken into account.</p>	<p><i>Change plans shall recognize people needs</i></p> <p>Feelers want the right values to underlie the changes and the plan to recognize the impact on people and involve people in decision making.</p>
<p><i>Leadership is competent</i></p> <p>For thinkers it is important that decisions are clear, and goals and structure well defined.</p>	<p><i>Leadership cares</i></p> <p>For Feelers it is crucial that people are supported throughout the change</p>

Both perspectives are of important contribution when planning and implementing change.

Category IV. Judging or Perceiving

People preferring Judging like their lives to be planned and organized. They appreciate structure and schedules. When dealing with a task they plan it properly first and then complete as planned to avoid last-minute stress. They don't feel comfortable if work assignment is ambiguous. They prefer decisions to be made fast, and to be implemented immediately, once they are made.

People who prefer Perceiving don't feel comfortable with fixed plans, they like to stay flexible and adjust their plans as they go along. They value spontaneity and don't mind last-minute changes. When dealing with a task they start with exploring and gathering information. The last-minute pressure gives them extra energy. For the

decisions they need to gather a lot of information before the conclusions can be drawn. And once a decision is made it still remains open to adjustment, if new options appear.

Table 2-4 - Judging and Perceiving in change context

Preferences in the process of change	
People preferring Judging	People preferring Perceiving
<p><i>Clarity</i></p> <p>Judging types seek for a clear and concise plan built on clear goals and priorities. They have hard time to deal with the uncertainty associated with change.</p>	<p><i>Flexibility</i></p> <p>Perceiving types prefer an open-ended plan that is flexible and offers room to adjust as going along. They can accept that some things stay undecided for the time being.</p>
<p><i>Speed</i></p> <p>They want the change process to move as fast as possible, to have the changes fast in place.</p>	<p><i>Information completeness</i></p> <p>They need a lot of information and the opportunity to gather more. They desire to explore every option.</p>

As obvious from the main characteristics, it is a real challenge to accommodate both groups needs, while managing a change.

Overall hints when working with MBTI types

When working with MBTI types, it is important to keep in mind that:

- a type is only about preference, i.e. it still allows making active choices about different behaviour, and developing skills in all non-preferred areas.
- tasks in preferred areas are easier; tasks in non-preferred areas require more energy.
- every company employs people with all preferences.

Since the needs of different types show a big variety, and in some cases even contradiction, it is difficult to act on all of them, when managing a change. However failure to do so, presents a double loss. The negatively affected group tends to develop

resistance to the changes; and at the same time the strengths of that particular group remain unused.

In this context special attention is to be paid in change efforts in large organizations to the Sensing and Judging (SJs) group, since it likely presents the largest share of employees. It is a natural phenomenon, simply because these types value structured, orderly, traditional and secure environment. (Barger & Kirby, 1995)

3 Description of different types of changes in Tieto Corporation

Tieto Corporation is an international company providing IT and product engineering services. It primarily focuses on business in North-East Europe (its main markets are the Nordic countries, Russia and Poland), and it serves customers in selected industries such as Telecom, Finance, Energy, Forest, Healthcare, Manufacturing, Public and Retail.

Tieto Corporation has more than 18 000 employees, distributed in operations in more than 20 countries. In the customer deliveries the company takes advantage of a global delivery model that allows for creating teams with the best mix of talents and competences from all over the globe to serve specific customer needs.

Working in cross-border teams is enabled via efficient and well implemented processes and tools. The state of art processes are an important pre-requisite for a harmonized way of working in the distributed environment. An effective communication and collaboration over time and distance is enabled via the latest technology based tools. Teleconferencing and video conferencing are made a standard within the teams interaction and are used on daily basis.

Based on the collected change management related information about the company, two main types of changes have been identified. First one is directly related to the company strategy. For the areas that require significant change (“step change”) in order to reach the strategic objectives there are strategic projects launched. The changes of the second type are triggered by improvement ideas collected in the everyday operations. These ideas are evaluated in terms of implementation costs versus the expected impact, and in case the estimated return of investment leads to a “go-decision”, an internal project is set up. The scope of such a project typically falls into the following categories:

- existing process/tool improvement
- new process/tool development

and the ultimate project output is then a deployed process or tool (or both). In any of these cases people’s behavior is affected and the personnel involved in the process or

using the IT system need to adjust their actions accordingly. The above described changes are summarized in **Error! Reference source not found.**

Table 3-1 - Change initiatives types in Tieto

Change source and category		Affected areas by the change effort			
		Organization structure	Technology & Tools	Process & methods	People behaviour
Corporate strategy	Step changes Strategic projects	X	X	X	X
	Continuous improvement within current operations New/Improved Process design & deployment			X	X
	New/Improved IT Systems design & deployment		X		X

When it comes to methodology in use the strategic projects are utilizing Kotter's 8-stage process recommendations as a basis and in the incremental changes efforts project management is applied. For project management there is own methodology in use in Tieto, Practical Project Steering© (PPS). For the needs of this thesis the top level process stages are used in order to map the theories in question with the project management process of Tieto. These stages are: Initiation, Planning, Execution, Monitoring and Control, and Closure.

The change types and related change efforts described in this chapter need to be perceived in the context of the global delivery model. Since the customer deliveries are realized via virtual teams, i.e. delivery teams are spread over a number of countries, it is important to have a harmonized way of tackling change. A well managed change implementation is vital for smooth cooperation in this complex and cross border setup.

4 Analysis of the theory applicability for each type of change

Aiming at the recommendation package tailored for Tieto Corporation, the above listed theories have been first analyzed to create a list of generic recommendations from the core findings.

Later on these recommendations have been mapped towards the currently used change management frameworks in Tieto. Since the company is currently using Kotter's 8-stage process in the strategic change initiatives, its structure is used for mapping recommendations for that area. In the same way, in the incremental change related part, it is the project management framework that creates the basis for the recommendation package; and the change management theories are analyzed from the perspective of how to best enrich it.

The analysis is done in context with the Tieto Corporation environment. In this respect the important characteristics of virtual team organizations are taken into consideration.

4.1 Virtual teams organization specifics

There are several aspects to pay attention to in comparison to a traditional (non-virtual) organization:

- Human Resource Policies should be adjusted to the virtual way of working, especially in terms of HR systems for career development (securing that virtual team members have same career opportunities, especially in terms of promotion) and performance evaluation (cross boundary work rewards)
- Training and Educational programs should be available in such forms and via such channels that are compatible with the virtual setup.
- The common process package covering all key operating practices within the team should be defined and explained to all team members to secure a smooth cooperation regardless of the location.
- IT technology serving the virtual communication and collaboration must be in place. The portfolio of tools usually includes email, intranet, wikis, blogs, instant messaging, audio- and videoconferencing, electronic meetings. The

provision of the technology should be accompanied by sufficient training and support to make the adoption easy.

- Organizational culture should be built on values focused on collaboration, information sharing, teamwork and outcome-based performance. The organization norms should also respect different ways of doing business in different countries.
- Leadership behaviours need to support the virtual way of working in terms of communication (communicate the business necessity of virtual teams, as well as results and benefits, and establish the right expectations by communicating also the downsides, such as increased costs and longer cycle times in the start-up phase), resource allocation (allocate time and money for the virtual team's trainings, face-to-face meetings and tools) and role models (engage cross-boarders management teams, align cross functional and cross regional goals and actively collect inputs from the virtual organization members and demonstrate trust in their judgment).
- The key competences for virtual way of working (cross-cultural leadership, coaching, trust building and maintaining, cross boundary networking, communication and collaboration tools usage, etc.) should be emphasised and developed via various training programs and on-the-job assignments. (Duarte & Snyder, 2006)

4.2 Core findings per theory

The most important recommendations from the above introduced theories have been collected in a form of simplified high level statements in order to enable the mapping that follows in the next chapters. The key findings appearing repeatedly in different theories are listed only once.

(Kotter, 1996)

- Analyze complacency sources in order to establish sense of urgency
- Focus on change commitment, credibility, power, right expertise mixture, good leadership/management balance and strong teamwork based on trust, when creating guiding coalition

- Make sure the vision is appealing to “heart and mind”, realistic, giving good guidance for decisions, but also space for individual initiatives. Make sure the strategy provides sufficient guidance how to get there.
- Communicate heavily and via a number of channels and forms (there is never too much communication in change efforts) and motivate the key persons to be the role models.
- Remove obstacles via organizational structure changes, systems adjustments and new skills development programs. Encourage identification of obsolete interdependences and manage their removal
- Replace key personnel undermining the change
- Pay attention to first results and feedback from the change implementation to reflect on the vision (and fine-tune if needed).
- Keep up the momentum via communicating short term wins and improvements coming from the new way of working, via proper expectations management and appropriate addressing the old culture
- Embrace a good balance of leadership and management throughout the whole process

(Toman, 2005)

- Before you engage others formulate your change idea clearly and identify possible alliances and opponents; then expose the idea to criticism in discussions with representatives of both groups to clarify it further
- Engage employees in the change ownership, empower them for actions within, delegate decision power wherever applicable while re-structuring
- Make sure that IT is a “servant” to a process, not its “master”
- In case of redundancies secure the high performing persons are kept in the organization

(Young, 2008)

- Get a good understanding of the current reality before starting

- Perceive projects as vehicle to create and manage change, perceive project managers as change agents
- In projects pay a close attention to:
 - selecting the right people with the appropriate skills, with an understanding of their personalities,
 - setting clear objectives and creating a real sense of responsibility and commitment towards the objectives,
 - listening to feedback,
 - handling conflicts effectively,
 - striving for continuous improvements,
 - providing the “bigger picture”, i.e. understanding how this change contributes to overall company direction.
- Be aware of the people turnover in project teams and pay extra effort in terms of communication, in order to get everybody to follow the same objective.
- Be aware of the difference between actively chosen and imposed change

(Heath & Heath, 2011)

- Direct the Rider – create the destination postcard, provide scripts for critical moves
- Motivate the Elephant – replicate bright spots, appeal to identity
- Shape the Path – tweak the environment to support the new behaviour

(Barger & Kirby, 1995)

- Keep in mind that every company employs people of all types
- Reflect different type needs and strengths, when planning for change initiative – see Appendix 2
- Pay special attention to include SJ group in the change efforts

4.3 Theory applicability for strategic changes

The recommendations applicable for the strategic changes initiatives are collected in the Table 4-1. The table is structured as follows: the activities coming

directly from the Kotter's process are listed as "Key activities" and the recommendations from additional theories are presented as "Enhancements" to this framework.

Table 4-1 - Recommendation package for strategic changes

Stage 1: Establishing a sense of urgency	
Key activities:	<ul style="list-style-type: none"> • identify the sources of the complacency and address them
Enhancements:	<ol style="list-style-type: none"> 1) Get a good understanding of the current reality before starting (including the company culture) 2) Clearly define the problem to be solved by the change (exact problem description serves well in communication later on in the process, especially in the context with the MBTI Sensing type needs – see Appendix 1)
Stage 2: Creating the guiding coalition	
Key activities:	<ul style="list-style-type: none"> • establish a team of powerful and credible top managers. • secure a good leadership/management balance, a right mixture of expertise, strong teamwork based on trust and change commitment in this team.
Enhancements:	<ol style="list-style-type: none"> 1) Include MBTI type analysis in order to <ol style="list-style-type: none"> a. Prevent unnecessary conflicts within the team simply via better understanding each others personality b. Understand the MBTI types "coverage" in the guiding coalition (keeping in mind that every company employs people of all types)
Stage 3: Developing a vision and strategy	
Key activities:	<ul style="list-style-type: none"> • Create vision as an inspirational picture that is appealing to "heart and mind", realistic, giving good guidance for decisions, but also space for individual initiatives, and flexible enough to bear the rapidly changing world. • Develop strategy that provides sufficient guidance how to

	reach the vision.
Enhancements:	<ol style="list-style-type: none"> 1) Ensure the vision can reach both, the Rider and the Elephant, of the audience: <ol style="list-style-type: none"> a. Direct the Rider: create the destination postcard, provide scripts for critical moves b. Motivate the Elephant: replicate bright spots, appeal to identity 2) Ensure strategy reflects different MBTI type needs (clarity versus flexibility - see Appendix 1)
Stage 4: Communicating the change vision	
Key activities:	<ul style="list-style-type: none"> • communicate to create a cross-organizational understanding and commitment to the new direction • use number of communication channels and forms and be persistent in repetition (there is never too much communication in change efforts) • motivate the key persons to be the role models
Enhancements:	<ol style="list-style-type: none"> 1) Secure the message engages both, Rider and Elephant (it is built on facts but also triggers emotions) 2) Build the communication plan with respect to different MBTI types to secure that all employees are reached: <ol style="list-style-type: none"> a. content wise – see Appendix 1. b. communication forms and interaction channels wise, i.e. written as well as spoken information, written Q&A forums, discussions in small, but also larger groups c. Pay special attention to include SJ group. 3) Carefully balance the “visible crisis” communication with positive motivation message. Threatening only leads to short term motivation, while identifying with positive future picture enables long term commitment.

	<p>4) Create right expectations (avoid mismatch of “long-term” perception from leadership and managerial view)</p> <p>5) Take into account the specifics of the multi-national environment when communicating vision.</p> <p>a. Secure the same meaning and interpretation in all affected countries. Compare the current setup to understand the starting point differences</p> <p>b. Take into consideration the local mentality when it comes to providing feedback. Is it common and does it come by default or does it need to be specifically encouraged and asked for. Are there barriers in terms of not “criticizing” the management as cultural habit?</p>
Stage 5: Empowering employees for broad based actions	
Key activities:	<ul style="list-style-type: none"> • remove organizational structure obstacles • provide trainings for new skills needed • adjust company systems and processes (especially recruitment, compensation, promotion) to support new vision • encourage identification of obsolete interdependences and manage their removal • confront key personnel undermining the change
Enhancements:	<p>1) Shape the Path, i.e. tweak the environment to support the new behaviour best</p> <p>2) Engage employees in the change ownership, empower them for actions within, delegate decision power wherever applicable while re-structuring</p> <p>3) Make sure that IT is a “servant” to a process, not its “master”</p> <p>4) In case of redundancies secure the high performing persons are kept in the organization</p>
Stage 6: Generating short term wins	

Key activities:	<ul style="list-style-type: none"> • Keep up the momentum via communicating short term wins • Pay attention to first results and feedback from the change implementation to reflect on the vision (and fine-tune if needed). • Embrace a good balance of leadership and management throughout the whole process
Enhancements:	<ol style="list-style-type: none"> 1) Use the power of short term wins to boost Elephant's motivation (proof that change is doable) 2) Take seriously feedback from employees and communicate how it was processed and what is the output. That helps to motivate for further engagement.
Stage 7: Consolidating gains and producing more change	
Key activities:	<ul style="list-style-type: none"> • Keep the organization energized via celebrating successes, via proper expectations management and appropriate addressing of the old culture • Encourage and enable unnecessary interdependencies removal • Manage portfolio of change projects in parallel
Enhancements:	<ol style="list-style-type: none"> 1) A visible success and flesh of victory gives the Elephant the strength to continue 2) Continue shaping the Path, i.e. tweaking the environment
Stage 8: Anchoring new approaches in the culture	
Key activities:	<ul style="list-style-type: none"> • Recognize the past value of the old culture and part from it for the future • Build a new culture around the new practices (only possible after the new vision, and the related new behaviour, has generated some obvious benefits for a period of time) <ul style="list-style-type: none"> ○ communicate the improvements coming from the new way of working

	<ul style="list-style-type: none"> ○ secure the recruitment process and promotion process are referring to new values only. • Change some of the key persons in the company, if necessary.
Enhancements:	1) Keep motivating Elephant and shaping the Path

4.4 Theory applicability for incremental changes

The recommendations applicable for the incremental changes efforts are collected in the Table 4-2. The table is structured as follows: under “Key activities” are summarized activities from the project management framework; the recommendations from additional theories are listed under “Enhancements”. Note: The table content is targeted for development projects only, since deployment projects are already using a methodology that is fully built on change management principles.

Table 4-2 Recommendation package for strategic changes

Phase 1: Initiation	
Key activities:	<ul style="list-style-type: none"> • analyze business need • map stakeholders • estimate cost versus benefit
Enhancements:	<ol style="list-style-type: none"> 1. Keep in mind a project is a change instrument and from the analyzed business need derive the change scope. Based on the change extent consider whether a separate deployment project is required. 2. When mapping the stakeholders include complacency sources analysis 3. Investigate “bright spots” in the organization for the business need in question
Phase 2: Planning	
Key activities:	<ul style="list-style-type: none"> • establish core team

	<ul style="list-style-type: none"> • define clear scope, objectives and deliverables • create project plan (work packages, timeline, resources, project organization, stakeholders, risks)
Enhancements:	<ol style="list-style-type: none"> 1. In the steering group secure a good leadership/management balance, a right mixture of expertise and change commitment 2. Create an inspirational picture of the project outcome that appeals to Riders as well as Elephants of the stakeholders and at the same time shows how the project contributes to company direction. 3. In the stakeholder analysis be aware of the difference between actively chosen and imposed change
Phase 3: Execution, Monitoring and Control	
Key activities:	<ul style="list-style-type: none"> • establish and run project organization • produce deliverables • monitor progress against plan and act on discrepancies • manage risks • manage stakeholders
Enhancements:	<ol style="list-style-type: none"> 1) Take into consideration the MBTI types differences when communicating with stakeholders 2) Create awareness of the “bigger picture”, i.e. understanding how this change contributes to overall company direction. Be aware of the people turnover in project teams and pay extra effort in terms of communicating the change vision.
Phase 4: Closure	
Key activities:	<ul style="list-style-type: none"> • hand over deliverables • collect lessons learnt
Enhancements:	<ol style="list-style-type: none"> 1) Include lessons learnt from change management perspective

5 Recommendations, conclusions

Since the recommendations collected in the Chapter 4 can be referred to as a “change proposal” to the existing Tieto change management framework, the same principles as listed in the change management theories are applicable here, when dealing with this particular change.

Firstly the “complex challenge calls for complex solution” trap should be avoided. Although the Chapter 4 is already focused on the most important elements of each theory only, it is still a wide list of recommendations at the end. Therefore a limited subset of relatively small changes with significant impact potential should be selected for implementation. The author of the thesis would recommend simplifying it into 3 three principles only:

- remember to engage both, the rational and emotional side of the audience, and acknowledge different persons needs (see the MBTI typology highlights in Appendix 1) in the change process
- make sure the company systems (especially HR systems since they are directly linked to motivation and performance) are fully supportive to the new direction and newly expected behaviour
- use the “bright spots” philosophy and switch mentally from “problem solving” to “success scaling” approach

Secondly, this change proposal falls under the incremental change efforts and as such would have to undergo the project “go/no go” and scope decision (which changes to be selected, and how to implement them).

And last but not least, in the context with MBTI typology it is to be considered that the author of the thesis is of INFP type, i.e. type that is primarily concerned about the impact on people. It may be beneficial to expose the thesis to a review of an Tieto manager of SJ type in order to find the right balance in the people focus.

6 Closure

In this thesis selected change management theories have been analyzed with respect to changes applicable in Tieto Corporation. Two types of changes were considered – strategic and incremental. The company representative setting up the expectations for the thesis, Mr. Bernhard Geist, is leading one of the strategic initiatives in the company. Based on his recommendations two theories were considered primarily: Kotter's 8-stage process (already in use in the company) and the "Elephant, Rider and Path" theory.

The analysis has been further expanded on additional theories. On the process side Toman's metamorphosing process was added to the study. From the comparison of Kotter's and Toman's process it is clear that some parts of the process will be applicable all around the globe and some needs to be adjusted in context with different countries cultures. The solution proposal produced in this thesis is only reflecting the fact that Tieto is a global company and points the spots where different cultures may play significant role. The company may benefit from a more detailed study on how different cultures, represented in Tieto, react to change.

On the psychology side it was taken into consideration that in addition to the generic patterns in human reaction to the change (introduced in the Elephant, Rider and Path theory), every individual is different and therefore there are different needs to be considered in the change implementation process, if we want to reach the whole organization successfully.

From different human typology theories the MBTI was selected, since its main pillars are related to the way individuals take in and process information, which is a key activity in any change process. The change leaders and creators are seeking the best ways of reaching the rest of the organization with their vision. Efficient communication and interaction help to deal with the change resistance of those being imposed on, and to establish their commitment and ownership. In order to make communication and interaction most efficient, it shall be built on the understanding how different types of people function in the change context.

The most important findings from all the selected theories have been mapped towards Tieto's existing frameworks in order to create the required recommendation packages. The packages have been further simplified into three basic principles to start with. That should create a good basis for the proven approach "think big, start small, and scale up fast". The available sources offer a high number of recommendations for change management. It is useful to be aware of them, but for the implementation it is good to start with relatively small changes that can create the most impact. After they are successfully piloted and verified, it is easy to scale up when having the wider map available. Hopefully this thesis will contribute to such a map for Tieto.

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Glossary

MBTI	Mayers-Briggs Types Indicators
“The Elephant”	The emotional and instinctive side of the human brain.
“The Rider”	The rational side of the human brain
The Path”	The company environment – processes, systems and tools.

Statement on utilization of bachelor thesis results

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Štěpánka Vyskočilová

Appendices

Appendix 1 - MBTI Types preferences in the process of change

Appendix 1 – MBTI Types preferences in the process of change

People preferring Extraversion	People preferring Introversion	People with Thinking preference	People with Feeling preference
<i>Verbal communication</i> Extraverts want to hear the leader views and others' opinions, they want to have a chance to talk through their reactions and ideas, and be listened and heard.	<i>Written communication</i> Introverts want to have time to think it through first. Once they are clear about their reactions and questions they like to have their questions answered, either in writing or in one-to-one or small group discussions.	<i>Change plans shall be fair and logical</i> Thinkers want the plan to be logical, the evidence behind the plan to be credible and all possible consequences to be taken into account.	<i>Change plans shall recognize people needs</i> Feelers want the right values to underlie the changes and the plan to recognize the impact on people and involve people in decision making.
<i>Acting fast</i> Extraverts like start acting immediately and then reflect on it to see how it works.	<i>Rehearsing before acting</i> Introverts prefer to assimilate the changes and rehearse mentally before acting.	<i>Leadership is competent</i> For thinkers it is important that decisions are clear, and goals and structure well defined.	<i>Leadership cares</i> For Feelers it is crucial that people are supported throughout the change
People preferring Sensing	People preferring Intuition	People preferring Judging	People preferring Perceiving
<i>Need for clear and concrete information</i> They need specific information about what is the problem and how the proposed change will solve it. They want to get a clear and realistic picture of the aimed end result of the change process.	<i>Need for space to paint own future picture</i> They want to get the biggest possible picture, to explore it and to create their own imaginative projections of the future.	<i>Clarity</i> Judging types seek for a clear and concise plan built on clear goals and priorities. They have hard time to deal with the uncertainty associated with change.	<i>Flexibility</i> Perceiving types prefer an open-ended plan that is flexible and offers room to adjust as going along. They can accept that some things stay undecided for the time being.
<i>Verification against past experience</i> They want to test the change vision against own past experience to see if doable.	<i>Verification against future possibilities</i> They want to mentally play around the general plan and brainstorm for further connections to paint own picture of the future.	<i>Speed</i> They want the change process to move as fast as possible, to have the changes fast in place.	<i>Information completeness</i> They need a lot of information and the opportunity to gather more. They desire to explore every option.